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THE FARMER'S SHARE IN THE HIGH COST OF LIVING

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Among the myriad reasons given for the high cost of living it was common sometime ago to hear that lessened production due to a supposed decline of agriculture was one of the chief reasons. Advice was also given that more persons should engage in farming for the purpose of increasing the product. It has now become known that there is probably enough produce raised, or nearly enough, were it made possible to market the product so as to prevent waste. This preamble leads us to a consideration of the whole question of the farmer's share in the high cost of living.

It is not my purpose to present to you an economic study of the far-reaching problems of the city and its markets, but to transplant you briefly to one little corner of the land and let you catch a glimpse of the concrete problems which some of us are facing who are living on the land.

While city people are complaining of the high cost to them of all that the farmer produces, the farmer on the other hand has much ado to get any profit out of the business he follows. The report of the Country Life Commission calls attention to the fact that agriculture is not commercially as profitable as it is entitled to be for the labor and energy that the farmer expends and the risks that he assumes; and it is true that the farmer always produces on the closest margin of profit. Were the manufacturer to produce on an equally close margin of profit he would still not have the weather to contend with or the lack of proper market reports. The manufacturer has his daily market reports so that he knows how to dispose of his product. This is one of the elements of uncertainty and loss to the farmer's business.

There has been a steady decline of agriculture in the east near the large cities. It is hard to believe that agriculture would steadily decline in the face of an enormous appreciation of the cost to the

consumer of all farm products were there not some powerful disturbing factor operating to deny the farmer the benefits of that appreciation. That which diverts the profits from the farmer and puts the burden on the consumer are all the intermediary forces operating from the time the produce leaves the farmer's hands to the time it is bought by the consumer.

Every farmer no matter how small his farm runs the whole gamut of the problems of production and distribution. Every time he has a crate of eggs to dispose of he must decide whether he will trade them in at the local store at the lowest possible price or leave his farm to go and hunt a market. Every time he has pork to market, every time he has grain to dispose of, it is the same. In some sections the only market reports he has to depend upon are the newspapers, and he ships a carload of cabbages or fruit to market only to be told that the market is glutted and his crop which represents months of work, a total loss. Therefore there are many sections of this state which are highly productive where people take good care not to raise more than they can dispose of to their next door neighbors.

In discussing the economics of the whole problem I do not propose to go into the abuses of the system which now prevail and which all society must eventually unite to solve. What I propose to do is to help you realize the farmer and his puzzles, to realize what a complicated business farming is.

If a man owns a farm and he decides he will go into farming, he must consider the following things: Climate, soil, topography, transportation, distance from the railroad, market demand and supply, relation to competing type of farm, price of land, how much capital he has, how good his credit is, what his labor supply will be, what sort of farming is customary in that community, what insects, diseases and weeds he will have to contend with and how long he can afford to wait to realize on his investment. All of these things must be considered or he is likely to have to consider them later when it is too late.

When I started to develop my farm I had to ask myself what industry or industries it was best suited to. In looking into the question I found some astonishing figures which in large measure explain the steady decline of some industries in the eastern states. I asked myself "Why not raise hogs?" I found that there had been a steady decrease in the number of hogs raised on eastern farms. It takes 30 bushels of corn to raise a 300-pound hog. It costs Iowa farmers

\$14.10 to feed this hog. It costs the Pennsylvania and New York farmer \$21.90 or \$7.80 more because corn is worth 73 cents a bushel in New York and only 43 cents a bushel in Iowa. These figures are for a five-year average. Iowa farmers can raise hogs and pay freight on them to New York City and make a profit and sell cheaper than the eastern farmer with his close-by market, on account of the cost of corn. What is more it is a better hog because it has been fed corn and not ensilage and slop. There is a general economic law that you must produce your product where the raw material is cheapest. In the east hogs are raised as scavengers or for home use, or to supply stock, or for pleasure by new recruits who have money.

Again the would-be farmer asks himself, "Shall we raise steers?" and again he must compare what he can do with what can be done in Iowa. Every steer must be pastured two summers and pasture is cheaper in New York than Iowa but hay is much dearer. Two and a half tons of hay would cost in Iowa \$21.45, in New York it would cost \$36.77. Eighty-nine bushels of corn would cost in Iowa \$41.83 but in New York it would cost \$64.97. Thus the total cost of producing a 500-pound steer would cost in Iowa \$83.28 and in New York \$111.74 in spite of the fact that pasture in New York is one-half as cheap as in Iowa. A 1000-pound steer when grown would cost in Iowa for the corn alone \$84 and in New York for corn alone \$130. Therefore, east of the Ohio the raising of steers on our farms is practically eliminated. As a result beef raising has been discontinued almost entirely in the east and the raising of sheep also.

The question arises for every farmer on every eastern farm what then shall he raise in order to obtain an income. Butter-making is going to the region of cheap feed and farmers in the east are selling milk instead. Milk being bulky and perishable must be raised near market but the production of milk is also a hazardous business since the consumer insists upon a bacterial count at the minimum and a price also at the minimum. As the bacterial count decreases the cost of production increases and this the consumer does not seem to understand. Cheap milk is ever the cry. Of 250 farms surveyed in New Hampshire about 81 per cent were dairy farms and these were losing money. The losses on dairy farms come about through the high price of labor and the high cost of feed. The labor employed on dairy farms is expensive and unless you have other industries to employ the milkers your farm labor is too costly. When a dairy farm is successful it sells other things besides milk.

Figures from seventeen successful farms in New York state with labor incomes of from \$3,000 to \$9,000 prove that all of them had three or four lines of production each bringing in \$500 or more. Beside raising milk, they sold poultry and eggs, hogs, pure bred live stock, truck and perhaps some grain. In this way alone can dairy farms be made to pay. Your milk farm with no side lines is almost invariably a failure financially.

We are all familiar with the following quotation, yet every agricultural paper can duplicate it. "A bushel of beans for which the producer in Florida receives \$2.25 with a transportation charge of fifty cents for the 800-mile haul should not cost the consumer \$6.40 per bushel. The producer receives 35 per cent of the final price, the transporter 8 per cent and the dealer 57 per cent. This is not a fair division. The problem is not one of trusts, tariffs and other Washington matters, but simply one of providing straight and cheap ways open from all gardens and farms to kitchens and tables."

This path we farmers are searching for. We would like to come directly to you with our produce. We would like to put our poultry and eggs, our cream and butter directly on your dinner tables, and we would like to receive some remuneration for the risk and effort it has taken to raise these eggs and poultry, this cream and butter. When we heard of the parcels post we believed this would give us a direct means of reaching you with our products, but we have learned better, and the zone of the parcel post walls you in and walls us out as effectually as did ever the express company. Thousands of crates of eggs are traded in at every country store, thousands of broilers sold as fowls at 6 cents per pound all because the farmer cannot get at the consumer and the consumer cannot get at the farmer.

I think you will agree that the farmer has no share in causing the present high cost of living.